

On the heels of the announcement this week, by the Social Security and Medicare Trustees, that entitlement spending continues to travel down a path to disaster, I wanted to bring to light some insightful quotes I heard delivered by Ben Bernanke, chairman of the Federal Reserve Board. He made the... On the heels of the [announcement](#) this week, by the Social Security and Medicare Trustees, that entitlement spending continues to travel down a path to disaster, I wanted to bring to light some insightful quotes I heard delivered by Ben Bernanke, chairman of the Federal Reserve Board. He made them in February while testifying before my colleagues and I in the House Committee on the Budget. He understands that something must be done soon. I hope the Democrat's will get the memo.

"...the United States has entered what is likely to be a long period of demographic transition, the result both of the reduction in fertility that followed the post-World War II baby boom and of ongoing increases in life expectancy...As a consequence of these demographic trends, the number of people of retirement age will grow relative both to the population as a whole and to the number of potential workers

"An important element in ensuring that we leave behind a stronger economy than we inherited, as did virtually all previous generations in this country, will be to move, over time, toward fiscal policies that are sustainable, efficient and equitable across generations. Policies that promote private as well as public saving would also help us to leave a more productive economy to our children and grandchildren."

"In the end, the fundamental decision that the Congress, the administration, and the American people must confront is how large a share of the nation's economic resources to devote to federal government programs, including transfer programs such as Social Security, Medicare and Medicaid....Those members who favor a more expansive role of the government, including more generous benefits payments, must recognize the burden imposed by the additional taxes needed to pay for the higher spending, a burden that includes not only the resources transferred from the private sector but also any adverse economic incentives associated with higher tax rates."

"...because of demographic changes and rising medical costs, federal expenditures for entitlement programs are projected to rise sharply over the next few decades. Dealing with the resulting fiscal strains will pose difficult choices for the Congress, the administration and the American people. However, if early and meaningful action is not taken, the U.S. economy could be seriously weakened, with future generations bearing much of the cost."

For more info on the need for entitlement reform, check out this [post](#) .